

# Washington's Economic Recovery

Senate Economic Recovery Committee

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Lisa Brown

DIRECTOR

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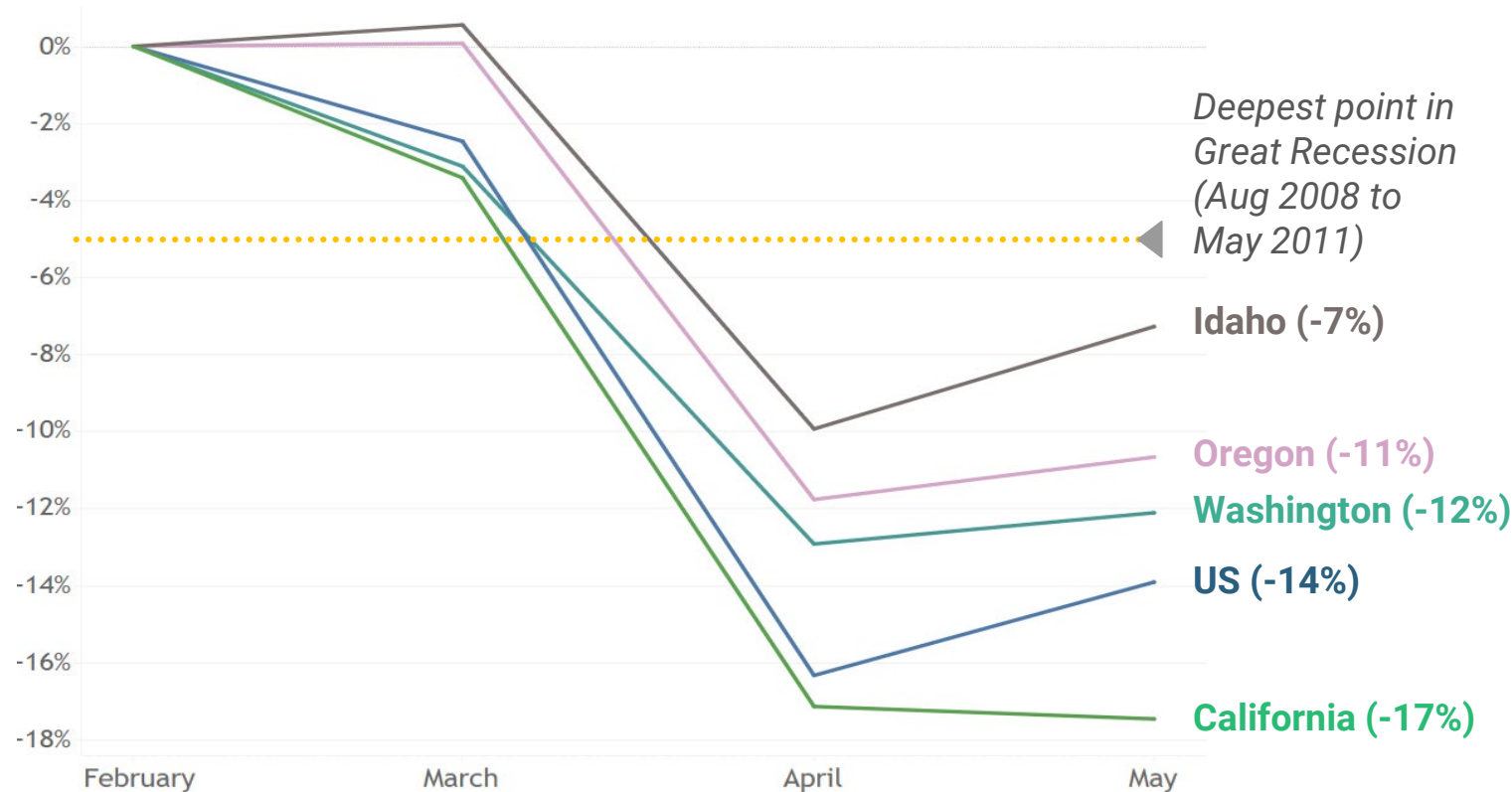


Washington State  
Department of  
**Commerce**

# The economic impact of COVID-19 is unprecedented

Employment decline since February is >2x higher than the lowest point of the Great Recession

**Dashboard screenshot:** % change in total employment vs. February 2020 by geography (seasonally adjusted)



Source: Current Employment Statistics (CES) - Seasonally Adjusted, Bureau of Labor Statistics (Includes all workers on payroll)

## Unprecedented impact

12% employment decline >2x higher than any point during the Great Recession

## WA tracking with other states

WA curve shaped similarly to those of other Western states, and the US overall

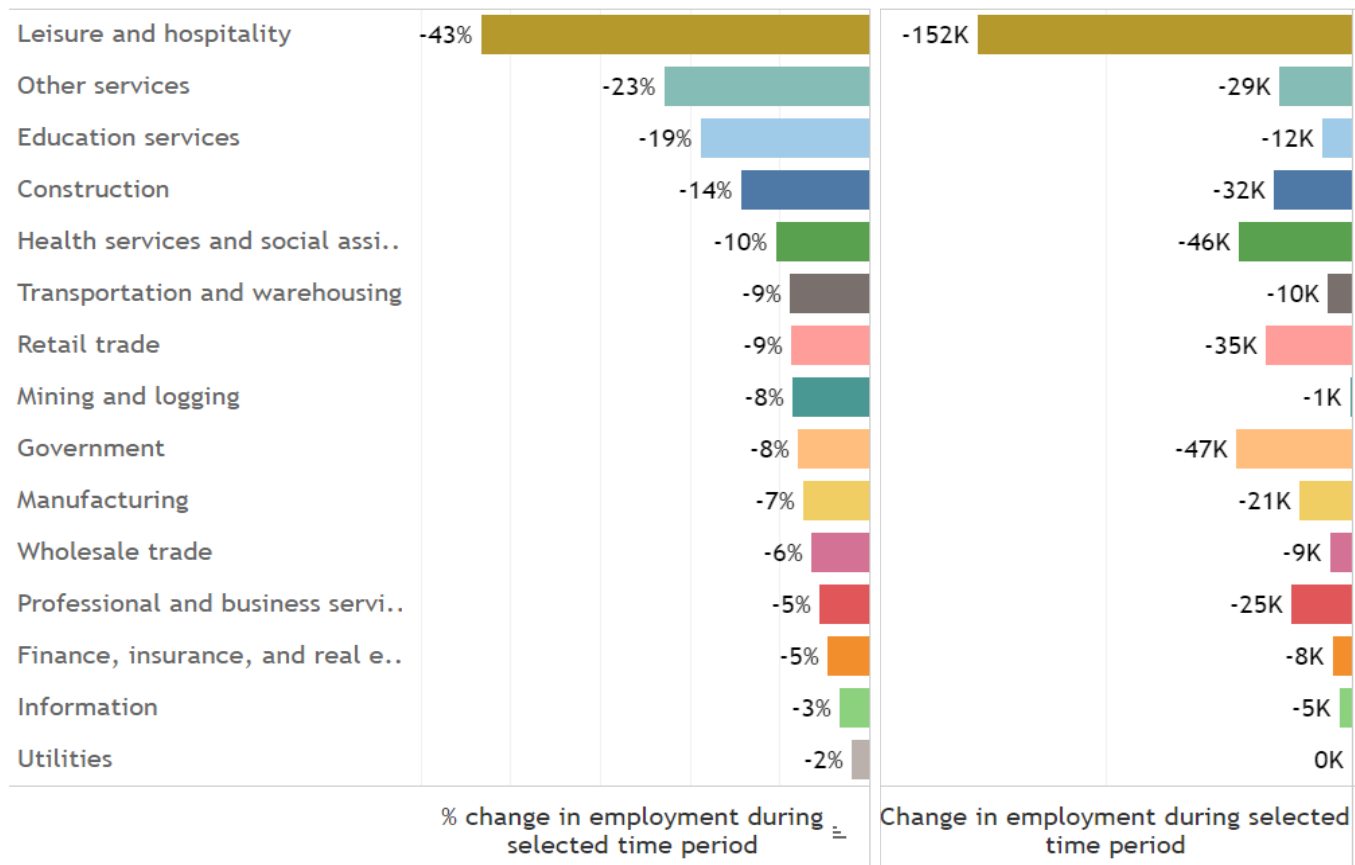
## Early signs of recovery, but still a long way to go

While May figures show some improvement, current level of impact is still unprecedented



# While impact has been highly concentrated in a few industries, nearly all sectors have seen significant job declines

**Dashboard screenshot:** % and absolute change in total WA employment by industry, February to May 2020 (seasonally adjusted)



## Impact is disproportionate

~60% of job losses concentrated in three sectors, with ~35% of total losses in Leisure & Hospitality alone

## Impact is broad

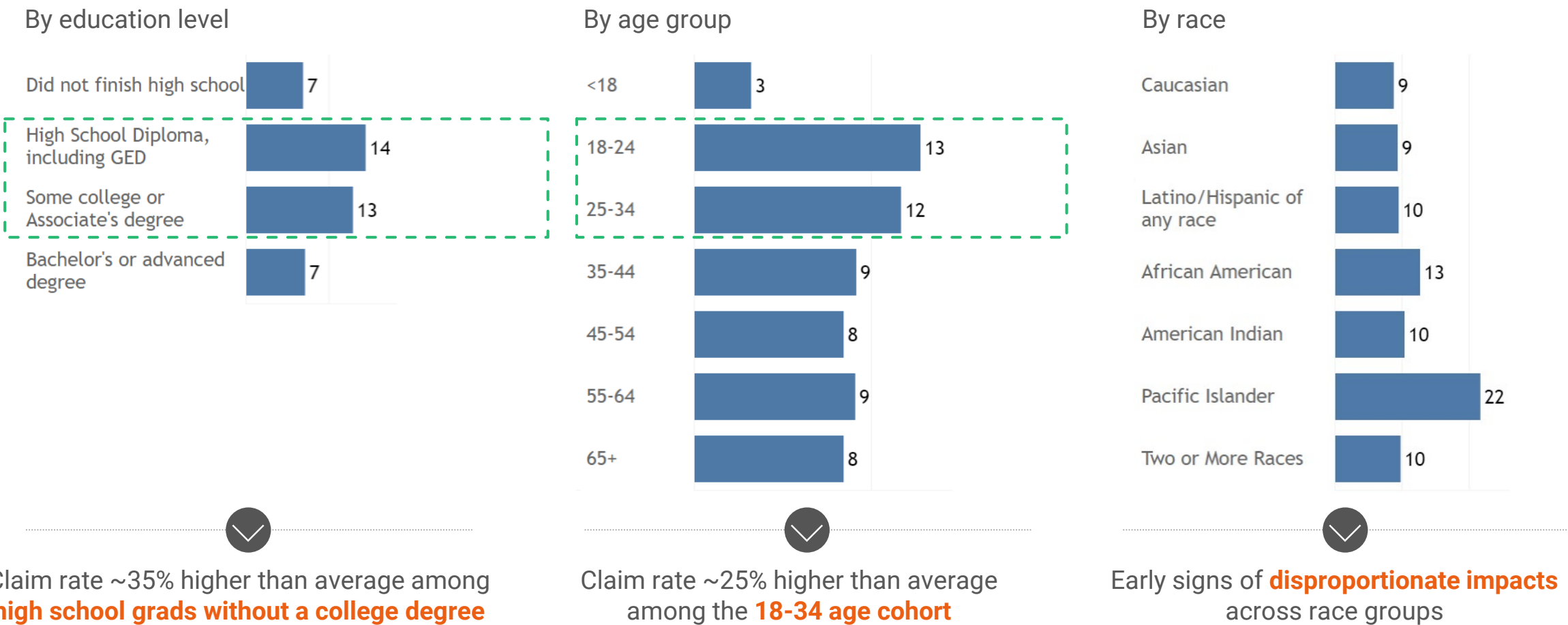
Most sectors have seen declines of at least 7%

## Public health most critical economic recovery lever

Job losses concentrated in industry groups with high levels of human contact

# UI claims indicate disproportionate impacts across populations

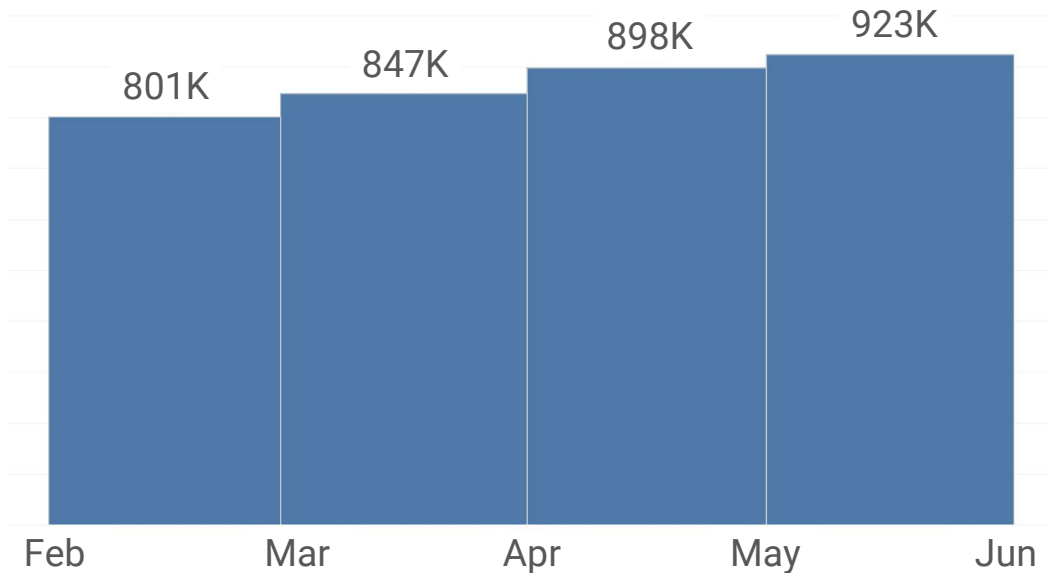
Dashboard screenshots: Continued UI claims per 100 workers in each population group, week ending June 27



Source: UI claims data, Employment Security Department, Washington State; Longitudinal Employer-Household Dynamics (LEHD), US Census Bureau (includes W2 workers)

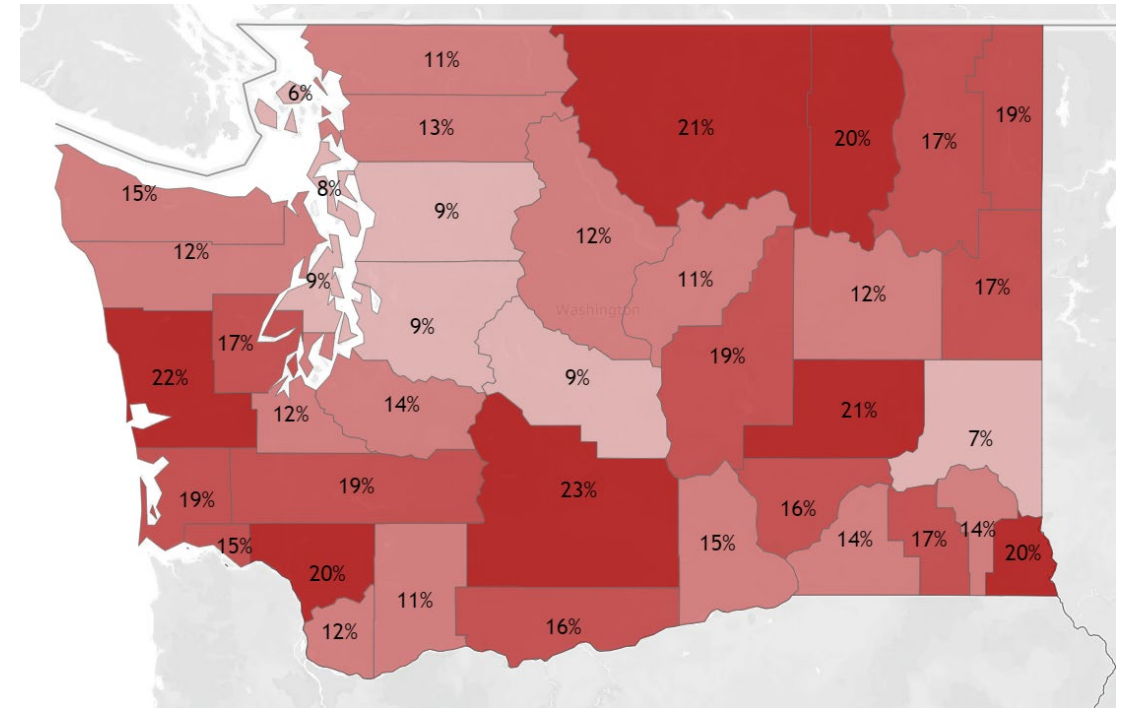
# Participation in Basic Food programs (SNAP/FAP): increase of 15% since February, with level of need varying highly across counties

**Dashboard screenshot:** Basic Food (SNAP/FAP)  
client<sup>1</sup> counts by month, statewide



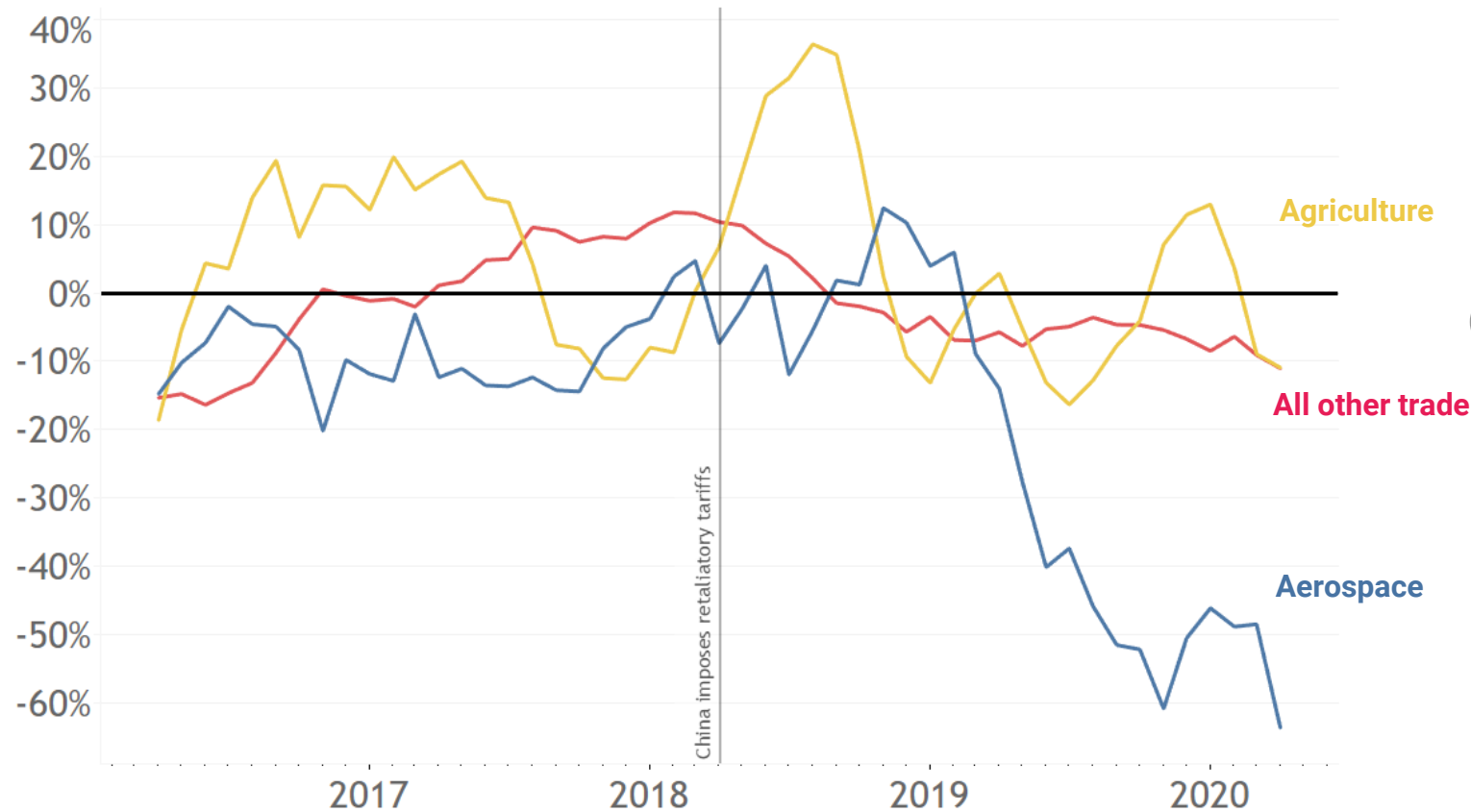
1. "Client" refers to an individual program participant (one household may represent multiple clients)  
Source: DSHS-ESA/EMAPS Assignment #5067A; US Census

**Dashboard screenshot:** Basic Food (SNAP/FAP)  
clients as % of county population, June 2020



# Pre-COVID trends likely to continue or accelerate, and should remain a key consideration during recovery planning

**Dashboard screenshot:** % YoY change in export volume by commodity, 3-month rolling average



**Federal policy continues to suppress international trade**

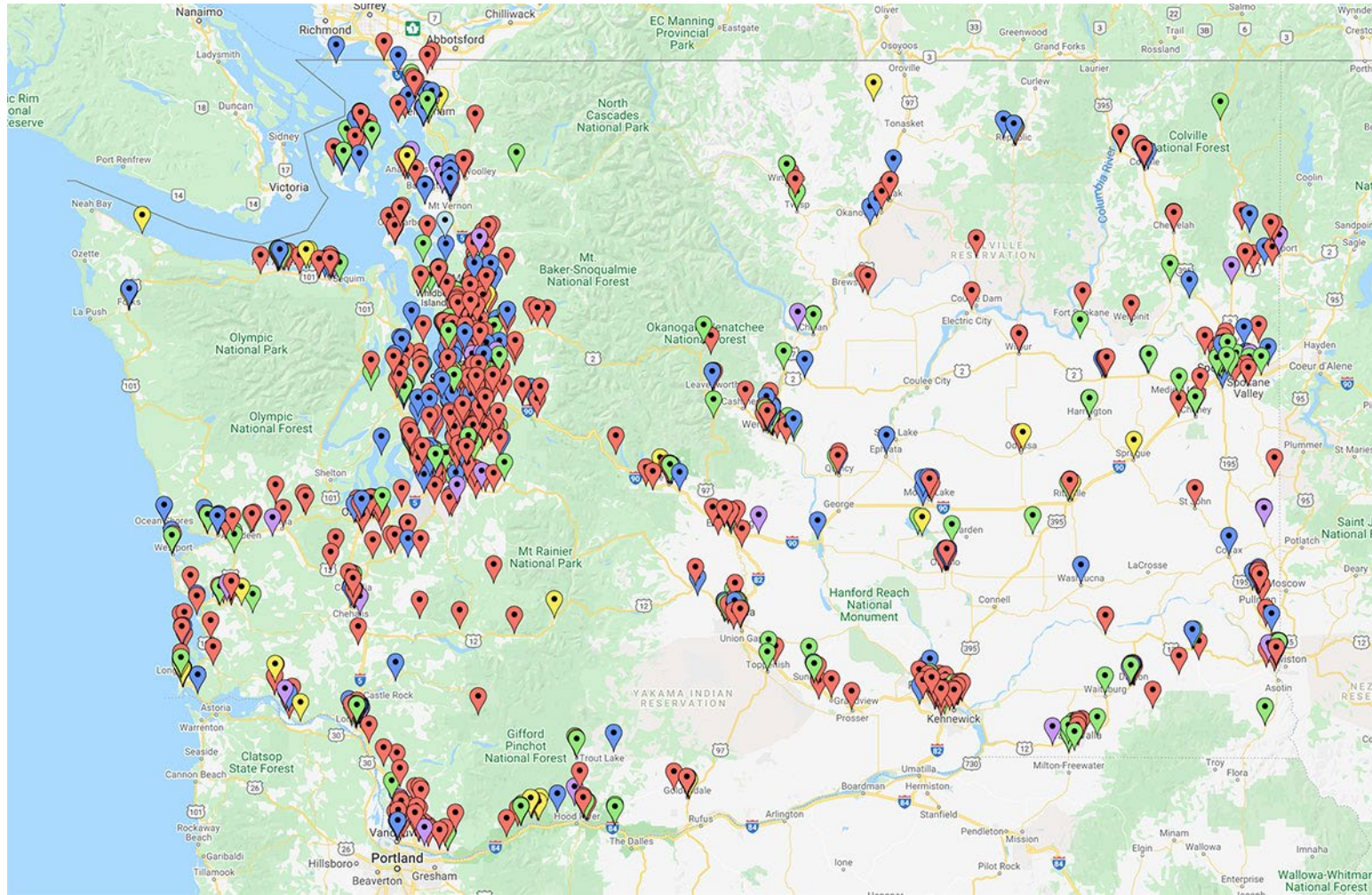
WA export volume posted YoY declines of at least ~5% throughout 2019 and 2020

**Ongoing challenges in aerospace likely to accelerate in near term**

Outlook highly dependent on consumer behavior; understanding potential downstream implications will be key



# Working Washington Small Business Grants



# Working Washington Small Business Grants

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- **\$10 million for Working Washington Small business grants**
  - \$5 million from the Working Washington strategic reserve fund
  - \$5 million from the state's \$200 million COVID-19 emergency response approved by the Legislature
- **Up to \$10,000 to businesses with up to 10 employees for rent, utility bills, supplies, inventory and other operating expenses**
- **1,442 total applications approved by the state:**
  - 40% women owned
  - 15% minority owned
  - 5% veteran owned
  - 0.5% tribal owned
  - 20% retail
  - 19% restaurants
  - 4% hospitality
  - 4% manufacturing
  - 53% other (healthcare, construction, childcare, etc.)



# Small Business Resiliency

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- Eleven organizations that serve culturally and historically disadvantaged businesses and communities across the state.
- Technical assistance can include:
  - Finding and help applying for assistance to help your business right now, whether you are open or closed
  - Translation assistance
  - Navigating local, state and federal resources
  - Business coaching
- Working to expand to more organizations

# Emergency Response

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- **Community Development Block Grant funding.** Coordinating with local governments the \$300 million provided to local cities and counties through the CARES Act.
- **Emergency Response Grant for Tribes.** Commerce made available \$10 million in emergency grants to the state's 29 federally recognized tribes to bolster their response to the COVID-19 pandemic.
- **Emergency Housing Grants to Counties.** \$30 million available to local government partners to create quarantine and isolation beds.

# Upcoming CARES Act funds

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## **Programs to help stabilize and restart our state's economy:**

- \$100 million to provide rent assistance to low-income renters at risk of homelessness, using an existing framework to send rent payments directly to landlords.
- \$20 million to provide small business assistance and support data-driven recovery planning.
- \$20 million to provide nonprofit assistance with a focus on equity and childhood enrichment and development.
- \$20 million to provide Tribal assistance for economic recovery.

# Partnerships

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- AWB Rebound and Recovery Committee
  - <https://www.reboundandrecovery.org/>
- Safe Work and Economic Recovery advisory group to Gov. Inslee
- All In Washington
  - Safe Start for a Healthy Economic Transition & Recovery Fund

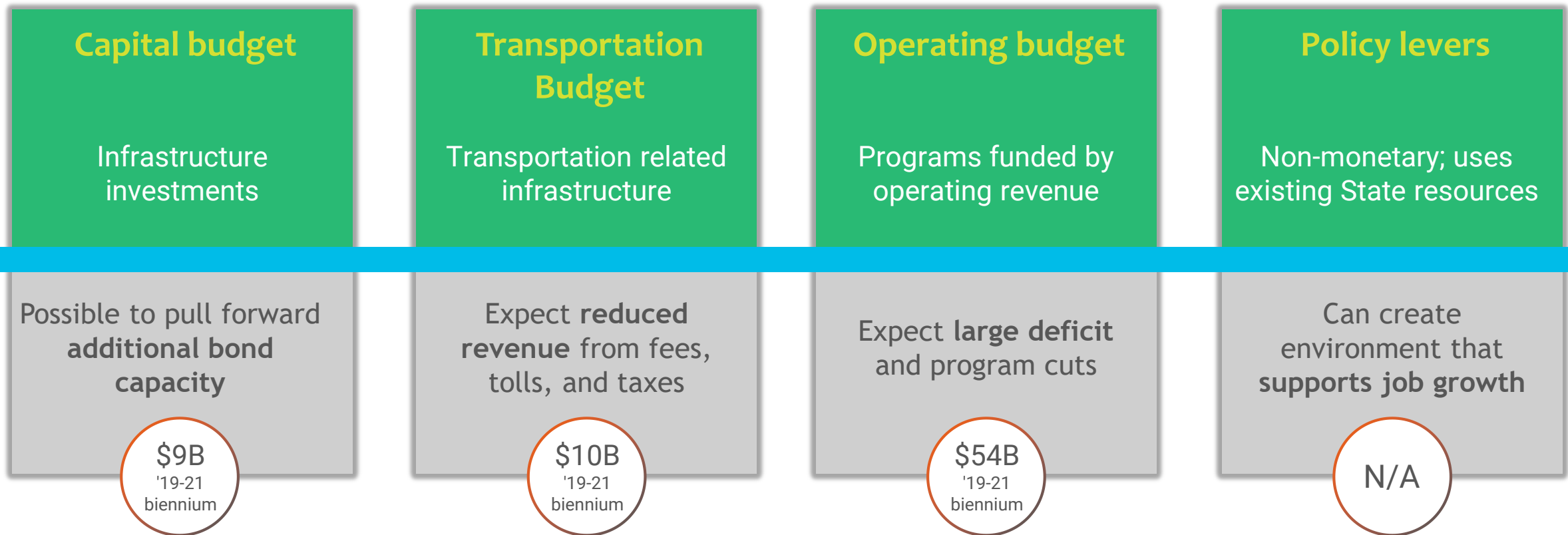
# Economic Recovery Focus

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- Track and promote recovery in jobs and economic activity by sector, industry, and region
- Ensure equitable access to resources for underserved entrepreneurs and communities
- Assist small businesses in retooling and pivoting for safe and successful operations
- Advocate for investment in innovation, sustainability, and resilience



# Washington State has 4 potential levers, but resources are currently limited



# Recovery planning: example ideas for assessment

List is not exhaustive but for illustrative use

## General Infrastructure

Invest in broadband access for rural communities  
Fund additional affordable housing projects  
Give grants/loans for building efficiency improvements (e.g., gov't buildings)  
Establish a green infrastructure fund  
...

## Transportation Infrastructure

Electrify public transportation vehicles (e.g., ferries, school buses)  
Invest in clean energy solutions for industrial centers (e.g., port electrification)  
Fund operational maintenance backlog for roads and bridges  
Invest in large-scale transportation project (e.g., bridge or road)  
...

## Programs (operating budget)

Reskill workforce, with emphasis on expected growth industries  
Promote apprenticeship programs like Career Connect WA  
Guarantee loans for small business to invest and grow  
Encourage consumer spending with local SMEs via 'shop local' PSA campaigns  
...

## Policy ideas (non-monetary)

Streamline permitting for infrastructure projects (e.g., broadband, green energy)  
Survey state assets to determine if there are opportunities for a higher ROI  
...

## Ideas evaluated for feasibility and impact, including:

Short term impact:

- Jobs created
- Economic multiplier
- Outside capital unlocked
- ...

Long term impact:

- Job/economic impact
- Equity
- Sustainability
- ...



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Department of  
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[www.commerce.wa.gov](http://www.commerce.wa.gov)



# Thank you.

Lisa Brown

DIRECTOR

[lisa.brown@commerce.wa.gov](mailto:lisa.brown@commerce.wa.gov)

360.725.4021